MUR # 5805

FEE TION
OFFICE KERAL
COUNSIL

FEDERAL ELECTION
COMMISSION
SECRETARIAT

Retha Dixon, Docket Manager
FEC

Vashington DC 20463

1) Please Find attached another copy of my complaint, which has been sworn to, as you requested in your letter of August 22, 2006 (copy attached) 2) I would like to repeat my request for expediency for an additional reason: Respondents askel For, and received, an immediate response From their letter, and used Verbal FEC Verbal FEC (1/2) (cont.)

Any 30, 2006

to our community that the Support They gave to Mr. Mckeon was entirely lawful.

Since the FEC has been used in this way, to Vapidly create the impression that this support was entirely legal in all aspects, it is critical that the FEC react in time to easure that the voting public is not Misled prior to the Nov electron. (hanks, ldy Shutshi

To:

Office of General Counsel Federal Election Commission 999 E Street, NW Washington, D.C. 20463

MUR# 5805

From Complainant:

**Eddy Shalom** 

Santa Clarita, CA 91355

Subject of Complaint:

Misuse of Funds by City of Santa Clarita, CA for Rep. Howard "Buck" McKeon (Representative US Congress, 25<sup>th</sup> District)

Respondents:

City of Santa Clarita

23920 Valencia Boulevard Santa Clarita, California 91355

- 1. Mayor Laurene Weste
- 2. Mayor Pro-Tem Marsha McLean
- 3. Councilmember Frank Ferry
- 4. Councilmember Bob Kellar
- 5. Councilmember Cameron Smyth
- 6. City Manager Kenneth R. Pulskamp

City Attorney, City of Santa Clarita

Burke, Williams & Sorensen, LLP 444 South Flower Street Suite 2400

Los Angeles, CA 90071-2953

7. Mr. Carl Newton, Attorney-at-Law

State of CA County of Los Angelos
Subscribed and swom (or affirmed), to before
me this 30 day of August, 2006



#### Request for Expediency:

This complaint concerns an unfair advantage that has been provided to a candidate for the US Congress in November 2006. It is essential that this ruling be provided in time for remedial action for this candidates opponent prior to the election. Please give it your prompt attention. I honestly believe that the violation is so compelling that this matter can be disposed of with a small amount of reason and deliberation. It is truly a "no brainer"!

Sincerely,

Eddy Shalom

#### I Summary of Complaint

- 1. The six members of the City of Santa Clarita CA and the City Attorney (respondents), have used city funds and city property to post large banners throughout the City with a message that is virtually indistinguishable from a political endorsement for Republican U.S. Congressman Howard "Buck" McKeon 25<sup>th</sup> District.
- 2. Respondents are asserting the right of a city to post similar messages in other media, such as billboards, advertisements on radio, television and newspapers, and so on. In fact, they are asserting the right to fly these banners on planes, or even to put this message on the Goodyear blimp, and fly it all over California.
- 3. While the City of Santa Clarita states that they have spent about \$4500 for these banners, and about \$2500 for their installation, they have in addition provided extremely valuable display locations for free, that cannot be purchased at any price by Republican Congressman McKeon's Democratic opponent, Robert Rodriquez.

  As such, respondents are asserting the right of a city to allocate an unlimited amount of funds and city resources for such communications, and in addition, to be exempt from FEC reporting requirements while doing so.
- 4. Via the City Manager's letter of July 11 2006 (attached), the respondents have asserted that "the banners are NOT and were NEVER intended to suggest or encourage a Vote For/Against Congressman McKeon and therefore the City of Santa Clarita strongly believes that NO violation has taken place" (my underlining)
- 5. However, the focus of this complaint is <u>NOT based upon INTENT</u>, but whether a violation has taken place. It is based upon the reality that either Congressman McKeon's campaign or a group supporting him could very likely have printed the exact same banners thanking and praising the Congressman, and paid for their creation and display. As such, these banners are indistinguishable from campaign materials, other than that they have been provided gratis by the City.
- 6. The City Manager's letter cited above confirms this common sense conclusion: "I regret to have recently learned that the City's <u>intent has been mistaken</u> as candidate (Congressman McKeon) endorsement by some" (my underlining).
- 7. Every single member of the Santa Clarita City Council is identified as a Republican in the website for the "Santa Clarita Valley Republicans, the Online Home of Republicans of the Santa Clarita Valley". In addition, Congressman Cameron Smyth is a candidate for the California State Assembly, and has been endorsed by Congressman McKeon.
- 8. These observations and logic constitute a very powerful prima facie case for a FEC violation. This conclusion is supported by a very simple reductio ad absurdum argument: if the actions of the respondents became a FEC precedent, all cities, large and small, would feel free to spend municipal funds in an unconstrained manner to "thank and praise" Federal candidates (while claiming no INTENT to endorse), and plaster our media, our streets, and our skies with similar communications. The fundamental intent behind the creation of the FEC, to limit and monitor campaign expenditures would be defeated by a deluge of soft money. As such, the assertion of such rights by the respondents are and must be declared a violation of everything the FEC stands for.

#### II Background of This Issue

It is pertinent to this complaint to cite the fact that the City of Santa Clarita has already had limited and privileged communications with the FEC regarding this issue, while at the same time reasonable to expect that the resolution of this complaint will not be constrained by this interaction, as will become clear from the discussion that follows.

In a letter dated July 26 2006, the City Attorney provided a copy of the letter written by Ken Pulskamp, SCV City Manager, to the Chairman of the Federal Election Commission (FEC) on July 11 2006. Based upon the issues as I understand them, I have become much more motivated to file a formal complaint to the FEC regarding the actions of our City.

In his letter to the Michael Toner, FEC Chairman, Mr. Pulskamp asks for an Advisory opinion from the FEC "concerning allegations that the City is in violation of the Federal Election Campaign Laws, Title 11, Section 100.22(a) & (b) and Section 441(b)".

Before delving into this request, one must wonder why Mr. Pulskamp (who to my knowledge is NOT an attorney), was so specific with regard to the specific chapter and verse of FEC requirements. While it is of interest to find the source of the "allegations" he cites, it is of greater importance to ask WHY he did not ask Mr. Toner a more general question: are the "THANKS, BUCK!" banners legal under ANY and ALL regulations of the FEC? Did the City Attorney of SCV coach Mr. Pulskamp with regard to the FEC regulations, and how to best construct a defense of the City's actions?

Once the legality of the banners was questioned, one would hope that Mr. Pulskamp would not have confined himself to the allegations he had received, but would be motivated to ensure that the banners were legal from every perspective. In fact, given the role that Mr. Pulskamp had in approving these banners in the first place, one must wonder about his due diligence in the his position as City Manager, since he did not look into the subject of legality PRIOR to placing these ugly banners all over the City of Santa Clarita.

In addition, one must question why, when the question of legality was raised, he saw fit to write a letter to the FEC chairman on his own, rather than using the services of the City Attorney. All of these lapses must make the citizens of SCV concerned about these actions of Mr. Pulskamp's office, since he has recklessly exposed the city of SCV to fines and legal action: was it so really so important, and of such vital interest to our city, to put up banners that praised and thanked Congressman "Buck" McKeon, especially in light of the fact that he has always stood against our city in the US Congress? Why didn't we thank our **Democratic** Senators Boxer and Feinstein instead, who we all know have been steadfast in their environmental concerns?

- 2006 Representative McKeon supported the interests of the <u>National Stone</u>, <u>Sand & Gravel</u>
  <u>Association</u> 97 percent in 2006.
- 2004 Representative McKeon supported the interests of the <u>National Stone</u>, <u>Sand & Gravel Association</u> 96 percent in 2004.
- 2002 Representative McKeon supported the interests of the <u>National Stone</u>, <u>Sand & Gravel</u> <u>Association</u> 100 percent in 2002.

**2001** On the votes that the <u>National Stone</u>, <u>Sand & Gravel Association</u> considered to be the most important in 2001, Representative McKeon voted their preferred position **100** percent of the time.

#### III Framework of the Legal Issues: Why the Matter is Still Open

Putting all these background issues aside, the key question that remains is very simple: was the action taken by the City of SCV in erecting these banners legal under all applicable statutes: Federal, State, and local?

Presumably, from the position taken by the City of SCV and it's attorney, the answer to this question is yes. Their argument is the following: based upon Mr. Pulskamp's letter, which targeted some specific FEC regulations, they have somehow, one way or another, received a communication from the FEC that assured them that no formal investigation is required.

It is clear the letter from the City Manager was very narrow in scope, and the general public have no specifics on the response from the FEC (who it came from, who received it, whether is was written or verbal, and what exactly the content was). In general terms, it would seem at the very least that regardless of what particular statutes Mr. Pulskamp was concerned about, that he and the City did not exercise due diligence by not asking whether the City was in violation of any laws, and regardless of how narrowly the questions to the FEC were, that they did not exercise due diligence if they did not interpret the question more broadly.

The fact that this letter of inquiry was drafted by the City Manager rather than the City Attorney seems peculiar: was the City Manager coached by the City Attorney with regard to the specifics of the laws in question, and the process for getting an advisory, or did he move independently in areas that he is not an expert?

Naturally, for those of us who are concerned about this process, it would be of great interest to see a written response from the FEC, or if one was not provided, to understand what verbal representations were made by the FEC, to whom, and exactly what the substance of these representations was.

Since we are all trying to understand if an illegal action was taken, it is hard to understand how this can be accomplished, if we are being asked to depend upon the verbal assurances from our City Manager (who may have committed a crime) and City Attorney that they have "heard" from the FEC that everything the City has done is legal.

#### IV A Prima Facie Argument for a Violation

This case is one in which complex legal arguments, citations, and precedents only obscure a very simple and straight-forward prima facie argument for the illegality of the City's actions. The use of reductio ad absurdum (reduction to absurdity) is an accepted form of logical reasoning that has long been accepted in mathematical, scientific, and legal domains. This technique will be applied to this case to demonstrate to anyone, even those not trained in the law, that the City's actions must be declared in violation of the FECs guidelines, or the entire structure of controls on campaign expenditures will collapse.

Let us apply this technique to the current case, and <u>assume</u> that the actions of the City of Santa Clarita are legal. To begin with, we should acknowledge that the generation and posting of a billboard or banner that thanks a candidate for Federal office for their actions is something that

often done by that candidate's campaign, or by those who are supportive of that candidate. Having accepted this, it is hard to argue that the banners posted by SCV may at the very least be perceived by the public in the exact same manner as those posted by the candidate's campaign, and that the public may have the same set of reactions to these materials posted by the City as those posted by a campaign. We should note that the only clue that these particular banners are posted by the City must be inferred by noting a small logo of the City on the banner, which motorists are not likely to observe, and less likely to interpret correctly. It should be noted that the first line of defense that has been offered by the City Manager and City Attorney is one of motivation: the City did not intend these postings as a political endorsement. This line of argument represents a radical new idea with regard to violation of our laws: even when intent is not recognized by the statute, it should be a way for perps to walk away from a crime.

For the moment, let us assume that such postings are legal with regard to FEC regulations. As such, it logical that it would be legal for the City of Santa Clarita to pay airplane pilots to fly these banners over our city, to pay for the airing of these banners on television, or to pay for full-page ads in the LA Times. The only difference between these examples is the medium used to display an identical content. As such, if the current display of banners is acceptable, so are all of these variants. It also follows that it would be legal for the City of Santa Clarita to pay for the Goodyear blimp to promote the "THANKS, BUCK" message throughout Southern California, and in fact the entire USA.

In addition, if it is acceptable for SCV to pay \$4500 for these banners, and \$2500 for their display (ignoring the tremendous free benefit of display location), this logic leads us to conclusion that it is OK for SCV to spend a total of \$70,000, rather than \$7,000 for the "THANKS, BUCK" message. In fact, following this logic, it is OK from the FEC perspective for the SCV to spend \$7,000,000 on the "THANKS, BUCK" message. What's even better for the SCV in this case is that such an expenditure would not even have to be reported to the FEC. It would be soft money gone wild.

It is not difficult to imagine the scenario that would result if a formal finding in support of the SCV was published by the FEC: all cities, large and small, would be clamoring to follow this precedent. The fundamental intent behind the creation of the FEC, to limit and monitor campaign expenditures would be defeated. The little City of Santa Clarita, like the "Mouse That Roared", would have been recognized as manifesting extraordinary power in spite of it's size.

The bottom line of this line of reasoning is obvious: the actions of the SCV in promoting advertisements that look exactly like political advertisements, and it's claim that it has the right to do so in an unconstrained way, are doomed to be declared an FEC violation.

#### Additional Supporting Documentation

Page 7: Information from website for "Santa Clarita Valley Republicans, The Online Home of Republicans of the Santa Clarita Valley", clearly demonstrating that every single member of City Council is a proud member of the Republican party, and apparently have no concerns about being portrayed as yet before the public, even though in theory they run for City Office in a non-partisan fashion.

Page 8: Information from the website for the political campaign of Councilman Cameron Smyth for State Assembly, and his endorsement by Congressman McKeon

Page 9: Information from the website of Democratic candidate Robert Rodriguez, who is challenging Buck McKeon in the 25<sup>th</sup> Congressional District in the November 2006 election. It makes clear that his candidacy is a victim of the actions of the City of Santa Clarita:

"Rodriguez said that the signs, which read "Thank you Buck, for HR5471," were misleading to for residents because they might have thought that McKeon was responsible for stopping the multi-national cement corporation from doing business in Santa Clarita.

In reality, Rodriguez said, House Resolution 5471 - which, if passed, would restrict mining operations from extracting sand and gravel by levels of more than about 300,000 tons per year - has not yet received any sponsorship from other members of Congress, making the bill's chances of passing slim.

"(The sign) creates the illusion that Cemex is gone," Rodriguez said.

Robert isn't the only one to see the bill as an illusion. From to the LA Daily News:

Some interpret the message to mean the bill is a slam dunk, which is not so. Congress likely won't consider the measure until next year, and McKeon has acknowledged its chances of passage are slim."

Page 10: Documentation that demonstrates the Congressman Buck McKeon has never been a supporter of the concerns of the City, and that his recent actions appear to be a cheap trick, and that the City has expended a lot of its credibility and its treasure on what may be a wild goose chase.

Page 11-13: Letter from E. Shalom to Carl Newton, Santa Clarita City Attorney, July 28 2006

Page 14-17: Cover letter from Santa Clarita City Attorney Carl Newton to E. Shalom on July 26 2006, with attached letter from Santa Clarita City Manager to FEC Chairman, July 11 2006

## From website for: Santa Clarita Valley Republicans

The Online Home of Republicans of the Santa Clarita Valley

## http://www.scvgop.org/

## Republicans Sweep The City Council Bleakons

The Republican Party is strong in Santa Clarita because the ideas and the candidates represented therein work well for our little city. The residents of Santa Clarita drove this point home last Tuesday by re-electing all 3 Republican incumbents and even handing the runner-up spot to Republican challenger Mark Hershey. Congratulations to the incumbents as well as the residents of Santa Clarita. You chose wisely!

Laurene

Weste 15.74% (4553)

Frank

Ferry 16.52% (4781)

Marsha

McLean 16.79% (4857)



Citycouncilmember & future State Assemblyman Cameron Smyth



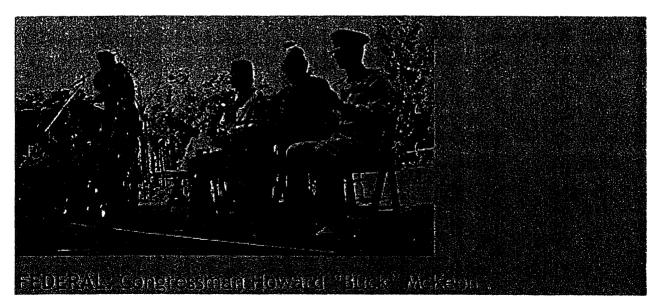
**Bob Kellar - City Council** 

# From: http://www.votesmyth.com/index.html

## **Cameron Smyth for State Assembly**

www.votesmyth.org





#### from website for:



## **Robert Rodriguez**

## Democratic Candidate for 25th District U.S. Congress 2006

http://www.rodriguezforcongress.com/node/149?PHPSESSID=97f6596c003229cd5271a33c708e7e7e

### How Many Bucks Does it Take To Buy Buck

Submitted by Max Berger on July 25, 2006 - 2:39am.

The signs in Santa Clarita thanking our opponent Buck McKeon for introducing a bill to stop Cemex from expanding their mining operations have sparked a citywide debate on the issue. (Click <a href="here">here</a> for more on why the Cemex issue is so important to the district.) The debate thus far has focused on the legality of the signs, and the wisdom of spending taxpayer dollars. The public debate on the signs has increased awareness of the more fundamental question: why hasn't Buck stopped Cemex's expansion? Buck took so long to introduce his useless bill because he is beholden to contributions from the construction industry. As with so many other issues, Buck is more concerned with dollars than sense.

On Saturday, Robert Rodriguez went out with a group of supporters to call Buck out for dragging his feet on this critical issue. Cemex wants to expand their mining operation by 56 million tons, which would decimate the property values of surrounding homes and create a myriad of health, environmental, and traffic problems. After years of local residents coming together to ask Buck to stop Cemex, and hundreds of thousands of dollars spent on lobbyists and lawyers by the taxpayers of Santa Clarita, he finally introduced a bill that proposes to stop the expansion. But the bill itself is not a serious attempt to tackle the issue. It stands little chance of passing, and the solution it offers – a land swap – is unlikely to provide a solution to the problem. From Sunday's Santa Clarita Signal:

Rodriguez said that the signs, which read "Thank you Buck, for HR5471," were misleading to for residents because they might have thought that McKeon was responsible for stopping the multi-national cement corporation from doing business in Santa Clarita.

In reality, Rodriguez said, House Resolution 5471 - which, if passed, would restrict mining operations from extracting sand and gravel by levels of more than about 300,000 tons per year - has not yet received any sponsorship from other members of Congress, making the bill's chances of passing slim.

"(The sign) creates the illusion that Cemex is gone," Rodriguez said.

Robert isn't the only one to see the bill as an illusion. From to the LA Daily News:

Some interpret the message to mean the bill is a slam dunk, which is not so. Congress likely won't consider the measure until next year, and McKeon has acknowledged its chances of passage are slim.

Why does it take tens of thousands of dollars of public dollars to convince Buck to represent the interests of the people of Santa Clarita? If Buck truly cared about the needs of people of the district, it wouldn't take thousands of dollars to get his attention.

#### Source: Project Vote Smart

# http://www.vote-smart.org/issue\_rating\_category.php?can\_id=H0415103&type=category&category=Business%20and%20Consumers

- 2007 Representative McKeon supported the interests of the <u>National Stone</u>, <u>Sand & Gravel</u> <u>Association</u> 97 percent in 2006.
- 2005 Representative McKeon supported the interests of the <u>National Stone</u>, <u>Sand & Gravel</u>
  <u>Association</u> 96 percent in 2004.
- 2003 Representative McKeon supported the interests of the <u>National Stone</u>, <u>Sand & Gravel</u>
  <u>Association</u> 100 percent in 2002.

**2001** On the votes that the <u>National Stone</u>, <u>Sand & Gravel Association</u> considered to be the most important in 2001, Representative McKeon voted their preferred position **100** percent of the time.

#### **National Stone, Sand & Gravel Association**

Year: 2006

**Issue:** Business and Consumers **Website:** http://www.nssga.org

Email: info@NSSGA.org

National Stone, Sand and Gravel Association

1605 King Street Alexandria, VA 22314 Phone: 703-525-8788

"The association represents the crushed stone, sand and gravel--or aggregat--industries. Our members account for 90% of the crushed stone and 70% of the sand and gravel produced annually in the United States. More than three billion tons of aggregate were produced in the U.S. in 2001 at a value of approximately \$14.5 billion."

The following ratings indicate the degree that each elected official supported the interests of the organization in that year.

Santa Clarita, CA 91355

July 28, 2006

Mr. Carl Newton Burke, Williams & Sorensen, LLP Los Angeles, CA

Dear Mr. Newton:

Thank you very much for your letter of July 26 2006, and for enclosing a copy of the letter written by Ken Pulskamp, SCV City Manager, to the Chairman of the Federal Election Commission (FEC) on July 11 2006. Based upon the issues as I understand them, I have become much more motivated to file a formal complaint to the FEC regarding the actions of our City, as well as your own. If you wish to understand the primary line of argument as to why the actions of the city, and your own, will never be able to withstand a complete investigation, you will find this in Section III, "A Prima Facie Argument for Illegality".

#### I Background

In his letter to the Michael Toner, FEC Chairman, Mr. Pulskamp asks for an Advisory opinion from the FEC "concerning allegations that the City is in violation of the Federal Election Campaign Laws, Title 11, Section 100.22(a) & (b) and Section 441(b)".

Before delving into this request, one must wonder why Mr. Pulskamp (who to my knowledge is NOT an attorney), was so specific with regard to the specific chapter and verse of FEC requirements. While it is of interest to find the source of the "allegations" he cites, it is of greater importance to ask WHY he did not ask Mr. Toner a more general question: are the "THANKS, BUCK!" banners legal under ANY and ALL regulations of the FEC? Did the City Attorney of SCV coach Mr. Pulskamp with regard to the FEC regulations, and how to best construct a defense of the City's actions?

Once the legality of the banners was questioned, one would hope that Mr. Pulskamp would not have confined himself to the allegations he had received, but would be motivated to ensure that the banners were legal from every perspective. In fact, given the role that Mr. Pulskamp had in approving these banners in the first place, one must wonder about his due diligence in the his position as City Manager, since he did not look into the subject of legality PRIOR to placing these ugly banners all over the City of Santa Clarita.

In addition, one must question why, when the question of legality was raised, he saw fit to write a letter to the FEC chairman on his own, rather than using the services of the City Attorney. All of these lapses must make the citizens of SCV concerned about these actions of Mr. Pulskamp's office, since he has recklessly exposed the city of SCV to fines and legal action: was it so really so important, and of such vital interest to our city, to put up banners that praised and thanked Congressman "Buck" McKeon?

#### II Framework of the Legal Issues: Why the Matter is Still Open

Putting all these background issues aside, the key question that remains is very simple: was the action taken by the City of SCV in erecting these banners legal under all applicable statutes: Federal, State, and local?

Presumably, from the position taken by the City of SCV and it's attorney, the answer to this question is yes. Their argument is the following: based upon Mr. Pulskamp's letter, which targeted some specific FEC regulations, they have somehow, one way or another, received a communication from the FEC that assured them that no formal investigation is required.

It is clear the letter from the City Manager was very narrow in scope, and the general public have no specifics on the response from the FEC (who it came from, who received it, whether is was written or verbal, and what exactly the content was). In general terms, it would seem at the very least that regardless of what particular statutes Mr. Pulskamp was concerned about, that he and the City did not exercise due diligence by not asking whether the City was in violation of any laws, and regardless of how narrowly the questions to the FEC were, that they did not exercise due diligence if they did not interpret the question more broadly.

The fact that this letter of inquiry was drafted by the City Manager rather than the City Attorney seems peculiar: was the City Manager coached by the City Attorney with regard to the specifics of the laws in question, and the process for getting an advisory, or did he move independently in areas that he is not an expert?

Naturally, for those of us who are concerned about this process, it would be of great interest to see a written response from the FEC, or if one was not provided, to understand what verbal representations were made by the FEC, to whom, and exactly what the substance of these representations was.

Since we are all trying to understand if an illegal action was taken, it is hard to understand how this can be accomplished, if we are being asked to depend upon the verbal assurances from our City Manager (who may have committed a crime) and City Attorney that they have "heard" from the FEC that everything the City has done is legal.

#### III A Prima Facie Argument for Illegality

This case is one in which complex legal arguments, citations, and precedents only obscure a very simple and straight-forward prima facie argument for the illegality of the City's actions. The use of reductio ad absurdum (reduction to absurdity) is an accepted form of logical reasoning that has long been accepted in mathematical, scientific, and legal domains. This technique will be applied to this case to demonstrate to anyone, even those not trained in the law, that the City's actions must be declared in violation of the FECs guidelines, or the entire structure of controls on campaign expenditures will collapse.

Let us apply this technique to the current case, and <u>assume</u> that the actions of the City of Santa Clarita are legal. To begin with, we should acknowledge that the generation and posting of a billboard or banner that thanks a candidate for Federal office for their actions is something that often done by that candidate's campaign, or by those who are supportive of that candidate. Having accepted this, it is hard to argue that the banners posted by SCV may at the very least be perceived by the public in the exact same manner as those posted by the candidate's campaign,

and that the public may have the same set of reactions to these materials posted by the City as those posted by a campaign. We should note that the only clue that these particular banners are posted by the City must be inferred by noting a small logo of the City on the banner, which motorists are not likely to observe, and less likely to interpret correctly. It should be noted that the first line of defense that has been offered by the City Manager and City Attorney is one of motivation: the City did not intend these postings as a political endorsement. This line of argument represents a radical new idea with regard to violation of our laws: even when intent is not recognized by the statute, it should be a way for perps to walk away from a crime.

For the moment, let us assume that such postings are legal with regard to FEC regulations. As such, it logical that it would be legal for the City of Santa Clarita to pay airplane pilots to fly these banners over our city, to pay for the airing of these banners on television, or to pay for full-page ads in the LA Times. The only difference between these examples is the medium used to display an identical content. As such, if the current display of banners is acceptable, so are all of these variants. It also follows that it would be legal for the City of Santa Clarita to pay for the Goodyear blimp to promote the "THANKS, BUCK" message throughout Southern California, and in fact the entire USA.

In addition, if it is acceptable for SCV to pay \$4500 for these banners, and \$2500 for their display (ignoring the tremendous free benefit of display location), this logic leads us to conclusion that it is OK for SCV to spend a total of \$70,000, rather than \$7,000 for the "THANKS, BUCK" message. In fact, following this logic, it is OK from the FEC perspective for the SCV to spend \$7,000,000 on the "THANKS, BUCK" message. What's even better for the SCV in this case is that such an expenditure would not even have to be reported to the FEC. It would be soft money gone wild.

It is difficult to imagine the scenario that would result if a formal finding in support of the SCV was published by the FEC: all cities, large and small, would be clamoring to follow this precedent. The fundamental intent behind the creation of the FEC, to limit and monitor campaign expenditures would be defeated. The little City of Santa Clarita, like the "Mouse That Roared", would have been recognized as manifesting extraordinary power in spite of it's size.

The bottom line of this line of reasoning is obvious: the actions of the SCV in promoting advertisements that look exactly like political advertisements, and it's claim that it has the right to do so in an unconstrained way, are doomed to be declared an FEC violation. This entire process will begin very shortly, as multiple formal complaints against the city are filed.

I am looking forward towards your defense of your position – I am sure you are a very able attorney, but am curious to discover how you can continue to defend the indefensible.. As I understand your explanation to me, your clients are not the citizens of the City of Santa Clarita, and that your actions in this matter must adhere to the contract you have with those who have employed you. Perhaps another issue that I will try to address in the future is to work with others to endeavor to change the terms of your employment, so that we will have a City Attorney whose first allegiance is to the City, which is paying for your hourly billing, and not to the partisan City Council, who apparently are stuck in a time warp, and believe in taxation without representation.

Sincerely, Ed Shalom 444 South Flower Street - Suite 2400 Los Angeles, California 90071-2953 voice 213 236 0600 - fax 213 236 2700 www.bwslaw.com

> Writer's Direct Dial 213-236-270i Our File No 02012-049i cnewton@bwslaw.comi

July 26, 2006

Mr. Ed Shalom

Santa Clarita, CA 91355

Re: City of Santa Clarita - Letter to Federal Elections Commission

Dear Mr. Shalom:

- Enciosed please find letter dated July 11, 2006, from the City Manager of the City of Santa Clarita to the Federal Elections Commission.

Very truly yours,

BURKE, WILLIAMS & SORENSEN, LLP

Carl K. Newton

CKN/sjw Enclosure

cc: Leon Worden, Senior Editor, The Signal (w/enc.)
Judy O'Rourke, Staff Writer, The Daily News (w/enc.)
Ken Pulskamp, City Manager

Chan.

23920 Valencia Blvd.
Suite 300
Santa Clarka
California 91355-2196---Website www.santa-clarka.com

Phone (661) 259-2489 Fax (661) 259-8125



City of Santa Clarita

July 11, 2006

Federal Elections Commission Mr. Michael E. Toner, Chairman 999 E Street, NW Washington, DC 20463

Dear Chairman Toner,

I am writing to request that the Federal Election Commission (FEC) provide the City of Santa Clarita with an Advisory opinion concerning allegations that the City is in violation of the Federal Election Campaign Laws, Title 11, Section 100.22 (a) & (b) and Section 441 (b).

By way of background, in 1989 the Federal government awarded Cernex a 20-year contract to extract 56 million tons of sand and gravel from a project site located in our community, known as the Soledad Canyon Sand and Gravel Mining Project. This mine, as proposed, would be the largest aggregate mine ever permitted by the Federal Bureau of Land Management (BLM) and greatly reduce our quality of life. As you can imagine, the Soledad Canyon Sand and Gravel Mining Project is of vital concern to the City of Santa Clarita. The City of Santa Clarita has been, and continues to be in opposition of the project as proposed.

Because the City recognizes the significance of the Soledad Canyon (aggregate) area, the Santa Clarita City Council have remained open and willing to working with Cemex, ensuing in an outcome pleasing to both the City and Cemex. As part of this effort, federal legislation, H.R. 5471, The Soledad Canyon Mining Leases Adjustment Act was developed and has since been introduced by Congressman Howard P. "Buck" McKeon (R-CA-25). Consequently, the City of Santa Clarita recently embarked upon a program to engage the support of the residents, specifically for the advancement of the legislation, H.R. 5471 and to encourage the Congressman to strongly promote the legislation.

As part of the effort, "THANK YOU BUCK, for H.R.5471-No Mega Mining in Soledad Canyon" banners were created and are currently being displayed throughout the City limits; with the goal(s) being to first thank Congressman McKeon for the introduction of the legislation and second to hopefully peak the currosity of the community to want to find out what H.R. 5471 is all about and what they can do support

I am pleased to say that the City's objective of the banners has been achieved, by way of the many calls received from residents inquiring about H.R. 5471 and what they can do to help. However, I regret to have recently learned that the City's intent has been mistaken as candidate (Congressmen McKeon) endorsement by some

Mr. Michael E. Toner, Chairman July 11, 2006
Page 2

For the record, the banners are NOT and were NEVER intended to suggest or encourage a Vote For/Against Congressmen McKeon and therefore the City of Santa Clarita strongly believes that NO violation has taken place.

However, because the City of Santa Clarita takes any/all such allegations seriously the City is requesting that the Commission provide an official interpretation of the applicable FEC rule(s) and an advisory opinion concerning allegations that the City is in violation of the Federal Election Campaign Laws, Title 11, Section 100.22 (a) & (b) and Section 441 (b).

Should you desire additional information or like to discuss this in further detail please call me at (661) 255-4905.

Sincerely,

Ken Pulskamp City Manager

KRP:TC
s/ms/tol/cemex/fit to FEC

Attachments

cc: Federal Election Commission, Office of General Counsel
City of Santa Clarita City Council
Carl Newton, City of Santa Clarita City Attorney
Michael Murphy, Intergovernmental Relations Officer

